REQUESTS FOR FY 1999 BUDGET AMENDMENTS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS REQUESTS FOR FY 1999 BUDGET AMENDMENTS FOR THE DE-PARTMENTS OF AGRICULTURE, COMMERCE, DEFENSE, AND TRANSPORTATION; THE ENVIRONMENTAL PROTECTION AGENCY; INTERNATIONAL ASSISTANCE PROGRAMS; THE DISTRICT OF CO-LUMBIA; AND, THE POSTAL SERVICE, PURSUANT TO 31 U.S.C. 1107



May 20, 1998.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE, Washington, May 18, 1998.

The Speaker of the House of Representatives.

SIR: I ask Congress to consider the enclosed requests for FY 1999 budget amendments for the Departments of Agriculture, Commerce, Defense, and Transportation; the Environmental Protection Agency; International Assistance Programs; the District of Columbia; and the Postal Service.

This transmittal also contains an FY 1999 budget amendment for the Legislative Branch. As required by law, budget requests for the

Legislative Branch are transmitted without change.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

WILLIAM J. CLINTON.

Enclosure.

Estimate No. 7 105th Congress, 2nd Session



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

May 18, 1998

The President

The White House

Submitted for your consideration are budget amendments for the Departments of Agriculture, Commerce, Defense, and Transportation; the Environmental Protection Agency; International Assistance Programs; the District of Columbia; and, the Postal Service. Also included is a budget amendment for the Government Printing Office of the Legislative Branch.

Most of these amendments would not increase budget totals, either because the amendments are technical corrections or because the funding provided was already included in your FY 1999 Budget as an item for transmittal to the Congress at a later date. Amendments that would not change the budget totals include:

- For the Department of Agriculture, \$26 million is requested to establish a Delta Region Economic Program to assist in the economic development of distressed areas of the Lower Mississippi Delta. (Funds were included in your FY 1999 Budget for this purpose, subject to later transmittal.)
- For the Department of Defense, a technical amendment is recommended to clarify
 the transfer of balances between the National Defense Stockpile and the Defense
 Working Capital Funds.
- For the Department of Commerce's Patent and Trademark Office, an amendment is proposed to make a technical correction to the pending request to reflect accurately the policy proposed in the FY 1999 Budget.
- For the Department of Transportation, an amendment for Amtrak is proposed to make the funding requested available earlier in the fiscal year than originally planned and to clarify existing authority as to spending of funds for capital improvements.
- o For the Environmental Protection Agency, an amendment is proposed to ensure that \$650 million appropriated last year will be available in FY 1999 to protect the public health in communities threatened by hazardous waste sites. The amendment would remove the requirement for reauthorization of the Hazardous Substance Superfund by May 15, 1998, in order for the \$650 million to become available for obligation.

(1)

- o For International Assistance Programs, an amendment is proposed to provided \$5 million for the Treasury International Affairs Technical Assistance Program. This program provides assistance in the areas of budget, tax policy and administration, financial institutions regulation, public debt, and financial crime enforcement. (Funds were included in your FY 1999 Budget for this purpose, subject to later transmittal.)
- o For the District of Columbia, an amendment is submitted to reflect a change in the source of funding for the District of Columbia Judicial Retirement and Survivors Annuity Fund. It is now clear that a discretionary appropriation is not needed in FY 1999. As part of the National Capital Revitalization and Self-Government Improvement Act of 1997, the Federal Government assumed responsibility for financing the District of Columbia judges retirement system.

Two amendments would increase budget totals:

- o For the Postal Service, an amendment to correct a calculating error would increase the Payment to the Postal Service Fund by \$379,000 for revenue foregone in FY 1996 on free and reduced rate mail. FY 1999 outlays would increase by \$379 thousand.
- o For the Government Printing Office, an additional \$6 million is requested by the Legislative Branch for new air-conditioning equipment. FY 1999 outlays would increase by \$2 million. As required by law, appropriations requests for the Legislative Branch are transmitted without change.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected departments and agencies in recommending that these proposals be transmitted to the Congress.

Sincerely,

Franklin D. Raines

Director

Enclosures

FY 1999 Budget Amendment

Agency: DEPARTMENT OF AGRICULTURE

Bureau: RURAL DEVELOPMENT

Account: Delta Region Economic Development Program

FY 1999 Budget

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FY 1999

Pending Request: --

Proposed Amendment: \$26,000,000

Revised Request: \$26,000,000

(Insert the above heading and the appropriations language that follows immediately after the material under the heading, "Rural Community Advancement Program:")

For transfer by the Secretary of Agriculture to the Appalachian Regional Commission. \$26,000,000, to make grants to public and non-profit organizations for the benefit of economically distressed areas in the Lower Mississippi Delta Region: Provided, That such grants shall be used for existing and new business development including basic infrastructure, worker skills training, local leadership capacity, and for administrative expenses.

This amendment would provide \$26 million to the Department of Agriculture for transfer to the Appalachian Regional Commission (ARC) for the purpose of establishing the Delta Region Economic Development Program to provide targeted, regional economic development assistance to 219 economically distressed counties in the Lower Mississippi Delta region. These counties were identified by the Congress in P.L. 100-460, Lower Mississippi Delta Development Act, which created the Lower Mississippi Delta Development Commission to look at different ways to solve the Delta Region's severe and persistent economic problems.

The ARC would administer the Delta Region Economic Development Program, which would benefit from the ARC's programmatic, policy, and oversight expertise and administrative resources for an incubation period of up to 18 months. After that time, and upon enactment of authorizing legislation, the Delta program would become a free-standing, independent Commission.

The proposed budget totals would not be affected by this proposal because the funds were included in the FY 1999 Budget for the ARC as an item to be transmitted to Congress at a later date.

Agency:

DEPARTMENT OF COMMERCE

Bureau:

PATENT AND TRADEMARK OFFICE

Heading:

Salaries and Expenses

FY 1999 Budget

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FY 1999

Pending Request:

\$603,526,000 (fees)

Proposed Amendment:

\$50,000,000

Revised Request:

\$653,526,000

This proposal would make a technical correction to the pending request to reflect accurately the policy proposed in the FY 1999 Budget. The FY 1999 Budget assumes that \$654 million would be collected under the Patent and Trademark Office's base fee schedule and would be available as spending authority in FY 1999.

Agency: DEPARTMENT OF DEFENSE

Bureau: REVOLVING AND MANAGEMENT FUNDS

Heading: Defense Working Capital Funds

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Pending Request: \$94,500,000

Proposed Amendment: language

Revised Request: \$94,500,000

(In the appropriations language under the above heading, delete all the language after "Provided, That" and insert the following language:

during the fiscal year 1999, in order to maintain adequate cash balances in the Defense Working Capital Funds, the Secretary of Defense may transfer up to \$350,000,000 from the National Defense Stockpile Transaction Fund to the Defense Working Capital Funds: Provided, That the total of amounts so transferred during the fiscal year shall be transferred back to the National Defense Stockpile Transaction Fund not later than September 30, 1999.

This proposal would make a technical clarification to the pending request to reflect the policy proposed in the FY 1999 Budget that the funds transferred would not result in increased net outlays in the Defense Working Capital Funds.

FY 1999 Budget Amendment

Agency: DEPARTMENT OF TRANSPORTATION

Bureau: FEDERAL RAILROAD ADMINISTRATION

Heading: Capital Grants to the National Railroad Passenger Corporation

(Highway Trust Fund)

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FY 1999

\$621,476,000

730

Pending Request:

Proposed Amendment: language

Revised Request: \$621,476,000

(In the appropriations language under the above heading, delete "July 1, 1999" and substitute October 1, 1998; and insert immediately before the period at the end of the sentence the following language:

: Proyided further, That the term "capital improvements" includes projects for -- (A)(i) acquisition, construction, supervision, or inspection, of a facility or equipment, for use in intercity rail transportation; (ii) expenses incidental to the acquisition or construction (including designing, engineering, location survey, mapping, acquiring rights of way, associated prerevenue startup costs, and environmental mitigation), payments for rail trackage rights. Intelligent Transportation Systems; (B) rehabilitating rolling stock; (C) remanufacturing rolling stock; (D) overhauling rolling stock; and (E) preventive maintenance.)

This proposal would amend the pending request to make \$409,229,470 in capital grants available on October 1, 1998, rather than July 1, 1999. This proposal would also clarify existing authority on spending of funds for "capital improvements".

Agency:

ENVIRONMENTAL PROTECTION AGENCY

Heading:

Hazardous Substance Superfund

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FY 1999

Pending Request:

\$1,442,745,000

Proposed Amendment:

language

Revised Request:

\$1,442,745,000

(In the appropriations language under the above heading, after "section 111(a) of CERCLA:" insert *Provided further*. That Public Law 105-65 is amended by striking, in the second proviso under this heading. ", and, further, shall be available for obligation only upon enactment by May 15, 1998, of specific legislation which reauthorizes the Superfund program":)

This proposal would remove the condition that \$650 million in advance appropriations provided in Public Law 105-65, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 1998, would become available in FY 1999 only if legislation to reauthorize the Superfund program were enacted by May 15, 1998. The proposal would ensure that the Environmental Protection Agency will have funding needed to protect the public health in communities threatened by hazardous waste sites, and meet the President's goal of 900 Superfund National Priorities List cleanups by the year 2001.

The Administration has worked closely with Congress over the past few months in an effort to make responsible reforms to the Superfund law. While the Administration will continue to support such reforms, this high-priority program should be funded even if Congress is not able to pass this legislation by May 15, 1998.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS

Bureau: MULTILATERAL ASSISTANCE

Heading: Department of the Treasury International Affairs Technical

Assistance Program

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Pending Request:

Proposed Amendment: \$5,000,000

Revised Request: \$5,000,000

(Under the above heading, insert the following appropriations language:

For necessary expenses for economic technical assistance and for related programs authorized by the Treasury International Affairs Technical Assistance Act of 1998, \$5,000,000, to remain available until expended.)

This proposal would appropriate as a separate program within International Assistance Programs the Treasury International Affairs Technical Assistance Program. This program places resident advisers in Ministries of Finance, or similar governmental bodies, in developing countries and countries in transition to provide technical assistance in the areas of budget, tax policy and administration, financial institutions regulation, public debt, and financial crime enforcement.

The program has been conducted by the Department of the Treasury since 1990, using funds transferred from the U.S. Agency for International Development (USAID). While most of the program has been focused on Eastern Europe and the New Independent States of the former Soviet Union, Treasury also has resident advisers in Haiti and South Africa. The proposal would provide the independent authority and appropriations for Treasury to expand the number of resident advisers it has in Africa and other regions. Funding for the program in Eastern Europe and the NIS, which is expected to phase down as these countries complete their transitions, will continue to be derived through transfers from USAID.

This proposal was included in the FY 1999 Budget as an item to be transmitted to Congress at a later date. The proposed budget totals would not be affected.

Agency:

DISTRICT OF COLUMBIA

Bureau:

DISTRICT OF COLUMBIA COURTS

Heading:

Federal Payment to the District of Columbia Judicial Retirement

and Survivors Annuity Fund

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FY 1999

Pending Request:

\$6,000,000

Proposed Amendment:

-\$6,000,000

Revised Request:

(Delete the above heading and the appropriations language that follows it.)

This amendment would revise the FY 1999 Budget to reflect the proposed change in the source of funding for the District of Columbia Judicial Retirement and Survivors Annuity Fund. This amendment is being transmitted at this time since it is now clear that a discretionary appropriation in FY 1999 is not needed.

The National Capital Revitalization and Self-Government Improvement Act of 1997 requires the Federal Government to assume responsibility for financing the District of Columbia judges retirement system. The Act authorized the transfer to the U.S. Treasury of the judges' retirement funds previously held by the District of Columbia. The Department of the Treasury has estimated that \$62 million will be transferred to the Federal Government and would be available to the Fund.

This change was included in the FY 1999 Budget as an item to be transmitted to Congress at a later date. The proposed budget totals would not be affected.

Agency:

POSTAL SERVICE

Heading:

Payment to the Postal Service Fund

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FY 1999

Pending Request:

\$99,816,000

Proposed Amendment:

\$379,000

Revised Request:

\$100,195,000

The pending FY 1999 appropriations request includes a reconciliation adjustment for revenue foregone in FY 1996 on free and reduced rate mail. The adjustment was calculated incorrectly at the time the FY 1999 Budget was prepared. This amendment corrects for the calculating error.

This proposal would increase FY 1999 outlays by \$379,000.

Agency:

LEGISLATIVE BRANCH

Bureau:

GOVERNMENT PRINTING OFFICE

Heading:

Government Printing Office Revolving Fund

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FY 1999

Pending Request:

Proposed Amendment:

\$6,000,000

Revised Request:

\$6,000,000

(In the appropriations language under the above heading, insert the following as the first paragraph:)

For payment to the "Government Printing Office Revolving Fund." \$6,000.000, to remain available until expended, for air-conditioning systems.

This amendment would provide \$6 million in general fund appropriations to replace worn out air-conditioning equipment, which is an environmental hazard, with energy efficient equipment.

This proposal would increase FY 1999 outlays by approximately \$2 million.

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